

Substitute House Bill No. 5038

House of Representatives, April 16, 1998. The Committee on Finance, Revenue and Bonding reported through REP. SCHIESSL, 60th DIST., Chairman of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT INCREASING CERTAIN BOND AUTHORIZATIONS FOR CAPITAL IMPROVEMENTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsections (a) and (b) of section
2 4-66c of the general statutes, as amended by
3 section 2 of public act 97-1 of the June 5 special
4 session, are repealed and the following is
5 substituted in lieu thereof:
6 (a) For the purposes of subsection (b) of
7 this section, the State Bond Commission shall have
8 power, from time to time, to authorize the
9 issuance of bonds of the state in one or more
10 series and in principal amounts not exceeding in
11 the aggregate [three] FOUR hundred [eighty-four]
12 NINE million six hundred ninety-five thousand nine
13 hundred two dollars, provided [fifty-four]
14 SEVENTY-NINE million four hundred thousand dollars
15 of said authorization shall be effective July 1,
16 1998. All provisions of section 3-20, or the
17 exercise of any right or power granted thereby,
18 which are not inconsistent with the provisions of
19 this section, are hereby adopted and shall apply
20 to all bonds authorized by the State Bond
21 Commission pursuant to this section, and temporary
22 notes in anticipation of the money to be derived

23 from the sale of any such bonds so authorized may
24 be issued in accordance with said section 3-20 and
25 from time to time renewed. Such bonds shall mature
26 at such time or times not exceeding twenty years
27 from their respective dates as may be provided in
28 or pursuant to the resolution or resolutions of
29 the State Bond Commission authorizing such bonds.
30 None of said bonds shall be authorized except upon
31 a finding by the State Bond Commission that there
32 has been filed with it a request for such
33 authorization, which is signed by or on behalf of
34 the Secretary of the Office of Policy and
35 Management and states such terms and conditions as
36 said commission in its discretion may require.
37 Said bonds issued pursuant to this section shall
38 be general obligations of the state and the full
39 faith and credit of the state of Connecticut are
40 pledged for the payment of the principal of and
41 interest on said bonds as the same become due, and
42 accordingly as part of the contract of the state
43 with the holders of said bonds, appropriation of
44 all amounts necessary for punctual payment of such
45 principal and interest is hereby made, and the
46 Treasurer shall pay such principal and interest as
47 the same become due.

48 (b) The proceeds of the sale of said bonds,
49 to the extent hereinafter stated, shall be used,
50 subject to the provisions of subsections (c) and
51 (d) of this section, for the purpose of
52 redirecting, improving and expanding state
53 activities which promote community conservation
54 and development and improve the quality of life
55 for urban residents of the state as hereinafter
56 stated: (1) For the Department of Economic and
57 Community Development: Economic and community
58 development projects, including administrative
59 costs incurred by the Department of Economic and
60 Community Development, not exceeding sixty-seven
61 million three hundred thousand dollars, provided
62 four million four hundred thousand dollars of said
63 authorization shall be effective July 1, 1998; (2)
64 for the Department of Transportation: Urban mass
65 transit, not exceeding [one] TWO million [nine
66 hundred ninety-five thousand nine hundred two]
67 dollars; (3) for the Department of Environmental
68 Protection: Recreation development and solid waste
69 disposal projects, not exceeding [two] ONE million
70 NINE HUNDRED NINETY-FIVE THOUSAND NINE HUNDRED TWO

71 dollars; (4) for the Department of Social
72 Services: Child day care projects, elderly
73 centers, shelter facilities for victims of
74 domestic violence, emergency shelters and related
75 facilities for the homeless, multipurpose human
76 resource centers and food distribution facilities,
77 not exceeding thirty-nine million one hundred
78 thousand dollars, provided four million dollars of
79 said authorization shall be effective July 1,
80 1994; (5) for the Department of Economic and
81 Community Development: Housing projects, not
82 exceeding three million dollars; (6) for the
83 Office of Policy and Management: (A) Grants-in-aid
84 to municipalities for a pilot demonstration
85 program to leverage private contributions for
86 redevelopment of designated historic preservation
87 areas, not exceeding one million dollars; (B)
88 grants-in-aid for urban development projects
89 including economic and community development,
90 transportation, environmental protection, public
91 safety, children and families and social services
92 projects and programs, including, in the case of
93 economic and community development projects
94 administered on behalf of the Office of Policy and
95 Management by the Department of Economic and
96 Community Development, administrative costs
97 incurred by the Department of Economic and
98 Community Development, not exceeding two hundred
99 [seventy] NINETY-FIVE million three hundred
100 thousand dollars, provided [fifty] SEVENTY-FIVE
101 million dollars of said authorization shall be
102 effective July 1, 1998.

103 Sec. 2. Subsection (b) of section 10-264h of
104 the general statutes, as amended by section 15 of
105 public act 97-290, is repealed and the following
106 is substituted in lieu thereof:

107 (b) Subject to the provisions of subsection
108 (a) of this section, the applicant shall receive
109 current payments of scheduled estimated eligible
110 project costs for the facility, provided (1) the
111 applicant files an application for a school
112 building project, in accordance with section
113 10-283 by the date prescribed by the commissioner,
114 (2) final plans and specifications for the project
115 are approved pursuant to sections 10-291 and
116 10-292, and (3) such district submits to the
117 commissioner, in such form as the commissioner
118 prescribes, and the commissioner approves a plan

119 for the operation of the facility which includes,
120 but need not be limited to: A description of the
121 educational programs to be offered, the completion
122 date for the project, an estimated budget for the
123 operation of the facility, written commitments for
124 participation from the districts that will
125 participate in the school and an analysis of the
126 effect of the program on the reduction of racial,
127 ethnic and economic isolation. The commissioner
128 shall notify the secretary of the State Bond
129 Commission when the provisions of subdivisions (1)
130 and (3) of this subsection have been met. Upon
131 application to the Commissioner of Education,
132 compliance with the provisions of subdivisions (1)
133 and (3) of this subsection and after authorization
134 by the General Assembly pursuant to section
135 10-283, the applicant shall be eligible to receive
136 [a grant in an amount equal to five per cent of
137 the amount authorized for the project for the
138 development of final plans and specifications
139 pursuant to subdivision (2) of this subsection]
140 PROGRESS PAYMENTS IN ACCORDANCE WITH THE
141 PROVISIONS OF SECTION 45 OF PUBLIC ACT 97-11 OF
142 THE JUNE 18 SPECIAL SESSION.

143 Sec. 3. Section 10-264i of the general
144 statutes is repealed and the following is
145 substituted in lieu thereof:

146 (a) A local or regional board of education,
147 [or] regional educational service center OR
148 COOPERATIVE ARRANGEMENT PURSUANT TO SECTION
149 10-158a which transports a child to an
150 interdistrict magnet school program as defined in
151 section 10-264l, in a town other than the town in
152 which the child resides shall be eligible pursuant
153 to section 10-264e to receive a grant up to one
154 hundred per cent of the reasonable cost of
155 transporting such child. The Department of
156 Education shall, within the total amount
157 appropriated for interdistrict cooperative grants
158 pursuant to section 10-74d, use an amount, not to
159 exceed five per cent of such appropriation for
160 interdistrict magnet school program
161 transportation. Nothing in this subsection shall
162 be construed to prevent a local or regional board
163 of education OR COOPERATIVE ARRANGEMENT from
164 receiving reimbursement under section 10-266m, AS
165 AMENDED BY SECTION 18 OF PUBLIC ACT 97-247, for
166 reasonable transportation expenses for which such

167 board, [or] service center OR COOPERATIVE
168 ARRANGEMENT is not reimbursed pursuant to this
169 section.

170 (b) Grants under this section shall be
171 contingent on documented costs of providing such
172 transportation. Eligible local and regional boards
173 of education, REGIONAL EDUCATIONAL SERVICE CENTERS
174 AND COOPERATIVE ARRANGEMENTS shall submit
175 applications for grants under this section to the
176 Commissioner of Education in such form and at such
177 times as he prescribes. Grants pursuant to this
178 section shall be paid as follows: In October
179 one-half of the estimated eligible transportation
180 costs and the balance of such costs in May.

181 (c) Each local and regional board of
182 education, REGIONAL EDUCATIONAL SERVICE CENTER AND
183 COOPERATIVE ARRANGEMENT participating in the grant
184 program shall prepare a financial statement of
185 expenditures which shall be submitted to the
186 Department of Education on or before September
187 first of the fiscal year immediately following
188 each fiscal year in which the school district,
189 REGIONAL EDUCATIONAL SERVICE CENTER OR COOPERATIVE
190 ARRANGEMENT participates in the grant program.
191 Based on such statement, any underpayment or
192 overpayment may be calculated and adjusted by the
193 state Department of Education in the grant for any
194 subsequent year.

195 Sec. 4. Subsection (a) of section 10-2641 of
196 the general statutes, as amended by section 16 of
197 public act 97-290, is repealed and the following
198 is substituted in lieu thereof:

199 (a) The Department of Education shall, within
200 the amount appropriated for interdistrict
201 cooperative grants pursuant to section 10-74d, AS
202 AMENDED, use up to fifty per cent of such
203 appropriation to establish a competitive grant
204 program to assist local and regional boards of
205 education, [and] regional educational service
206 centers AND COOPERATIVE ARRANGEMENTS PURSUANT TO
207 SECTION 10-158a with the operation of
208 interdistrict magnet school programs. For the
209 purposes of this section "an interdistrict magnet
210 school program" means a program which (1) supports
211 racial, ethnic and economic diversity, (2) offers
212 a special and high quality curriculum, and (3)
213 requires students who are enrolled to attend at
214 least half-time. An interdistrict magnet school

215 program does not include a regional vocational
216 agriculture school, a regional
217 vocational-technical school or a regional special
218 education center. On and after July 1, 2000, the
219 governing authority for each interdistrict magnet
220 school program shall restrict the number of
221 students that may enroll in the program from a
222 participating district to eighty per cent of the
223 total enrolment of the program.

224 Sec. 5. Subsection (a) of section 10-265d of
225 the general statutes, as amended by section 9 of
226 public act 97-1 of the June 5 special session, is
227 repealed and the following is substituted in lieu
228 thereof:

229 (a) For purposes of making grants pursuant to
230 section 10-265c, the State Treasurer is authorized
231 and directed, subject to and in accordance with
232 the provisions of section 3-20, to issue bonds of
233 the state from time to time in one or more series
234 in an aggregate amount not exceeding fourteen
235 million [nine] EIGHT hundred TWENTY thousand
236 dollars, provided one million dollars of said
237 authorization shall be effective July 1, 1994.
238 Bonds of each series shall bear such date or dates
239 and mature at such time or times not exceeding
240 twenty years from their respective dates and be
241 subject to such redemption privileges, with or
242 without premium, as may be fixed by the State Bond
243 Commission. They shall be sold at not less than
244 par and accrued interest and the full faith and
245 credit of the state is pledged for the payment of
246 the interest thereon and the principal thereof as
247 the same shall become due, and accordingly and as
248 part of the contract of the state with the holders
249 of said bonds, appropriation of all amounts
250 necessary for punctual payment of such principal
251 and interest is hereby made, and the Treasurer
252 shall pay such principal and interest as the same
253 become due. The State Treasurer is authorized to
254 invest temporarily in direct obligations of the
255 United States, United States agency obligations,
256 certificates of deposit, commercial paper or bank
257 acceptances such portion of the proceeds of such
258 bonds or of any notes issued in anticipation
259 thereof as may be deemed available for such
260 purpose.

261 Sec. 6. (NEW) Notwithstanding the purposes
262 set forth in section 10-287d of the general

263 statutes, as amended by this act, the State
264 Treasurer is hereby authorized and directed,
265 subject to and in accordance with the provisions
266 of section 3-20 of the general statutes, to issue
267 bonds of the state, which have been previously
268 authorized by the State Bond Commission pursuant
269 to the provisions of said section 10-287d, in an
270 aggregate principal amount of eighteen million
271 nine hundred eighty-five thousand dollars for the
272 purpose of funding interest subsidy grants, as
273 such term is defined in section 85 of public act
274 97-265. Such bonds shall be issued on or before
275 July 1, 1999, and may be issued in one or more
276 series. Bonds of each series shall bear such date
277 or dates and mature at such time or times not
278 exceeding thirty years from their respective dates
279 and be subject to such redemption privileges, with
280 or without premium, as may be fixed by the State
281 Bond Commission. They shall be sold at not less
282 than par and accrued interest and the full faith
283 and credit of the state is pledged for the payment
284 of the interest thereon and the principal thereof
285 as the same shall become due, and accordingly and
286 as part of the contract of the state with the
287 holders of said bonds, appropriation of all
288 amounts necessary for punctual payment of such
289 principal and interest is hereby made, and the
290 State Treasurer shall pay such principal and
291 interest as the same become due. The State
292 Treasurer is authorized to invest temporarily in
293 direct obligations of the United States, United
294 States agency obligations, certificates of
295 deposit, commercial paper or bank acceptances,
296 such portion of the proceeds of such bonds or of
297 any notes issued in anticipation thereof as may be
298 deemed available for such purpose.

299 Sec. 7. Section 10-287d of the general
300 statutes, as amended by section 81 of public act
301 97-265, is repealed and the following is
302 substituted in lieu thereof:

303 For the purposes of funding grants to
304 projects that have received approval of the State
305 Board of Education pursuant to sections 10-287, AS
306 AMENDED, and 10-287a, subsection (a) of section
307 10-65 and section 10-76e, and to assist school
308 building projects to remedy safety and health
309 violations and damage from fire and catastrophe,
310 the State Treasurer is authorized and directed,

311 subject to and in accordance with the provisions
312 of section 3-20, to issue bonds of the state from
313 time to time in one or more series in an aggregate
314 amount not exceeding one billion [six] SEVEN
315 hundred [ninety-nine] FORTY-NINE million five
316 hundred sixty thousand dollars, provided one
317 hundred [thirty-four] EIGHTY-FOUR million eight
318 hundred ten thousand dollars of said authorization
319 shall be effective July 1, 1998. Bonds of each
320 series shall bear such date or dates and mature at
321 such time or times not exceeding thirty years from
322 their respective dates and be subject to such
323 redemption privileges, with or without premium, as
324 may be fixed by the State Bond Commission. They
325 shall be sold at not less than par and accrued
326 interest and the full faith and credit of the
327 state is pledged for the payment of the interest
328 thereon and the principal thereof as the same
329 shall become due, and accordingly and as part of
330 the contract of the state with the holders of said
331 bonds, appropriation of all amounts necessary for
332 punctual payment of such principal and interest is
333 hereby made, and the State Treasurer shall pay
334 such principal and interest as the same become
335 due. The State Treasurer is authorized to invest
336 temporarily in direct obligations of the United
337 States, United States agency obligations,
338 certificates of deposit, commercial paper or bank
339 acceptances such portion of the proceeds of such
340 bonds or of any notes issued in anticipation
341 thereof as may be deemed available for such
342 purpose.

343 Sec. 8. Subsection (b) of section 10a-109i of
344 the general statutes, as amended by section 8 of
345 public act 97-293, is repealed and the following
346 is substituted in lieu thereof:

347 (b) (1) A permanent Endowment Fund shall be
348 confirmed, established or created to encourage
349 donations from the private sector, with an
350 incentive in the form of an Endowment Fund state
351 grant, the net earnings on the principal of which
352 are to be dedicated and made available to the
353 university for endowed professorships,
354 scholarships and programmatic enhancements. The
355 fund shall be administered by the board of
356 trustees, or by a nonprofit entity entrusted for
357 such purpose and created or to be created and
358 qualified as a Section 501(c)(3) organization

359 under the Internal Revenue Code of 1986, or any
360 subsequent corresponding internal revenue code of
361 the United States, as from time to time amended,
362 and preferably constituted and controlled
363 independent of the state and university so as to
364 qualify the interest on state bonds the proceeds
365 of which have been granted for deposit in the
366 Endowment Fund as excludable from federal taxation
367 under such code and shall, in any event, be held
368 in a trust fund with a bank or trust company
369 separate and apart from all other funds and
370 accounts of the state and university. There shall
371 be deposited into the fund: (A) Endowment Fund
372 eligible gifts, (B) Endowment Fund state grants
373 and (C) interest or other income earned on the
374 investment of moneys in the Endowment Fund pending
375 application or transfer or use of earnings on the
376 principal thereof for the purposes identified in
377 this subdivision (1) of subsection (b) of this
378 section.

379 (2) [(A)] For each of the fiscal years ending
380 June 30, 1999, to June 30, 2007, inclusive, as
381 part of the state contract with donors of
382 Endowment Fund eligible gifts, the Department of
383 Higher Education, in accordance with section 1 of
384 [this act] PUBLIC ACT 97-293, shall deposit in the
385 Endowment Fund for the university a grant in an
386 amount equal to half of the total amount of
387 Endowment Fund eligible gifts, except as provided
388 in this subparagraph, received by the university
389 or for the benefit of the university for the
390 calendar year ending the December thirty-first
391 preceding the commencement of such fiscal year, as
392 certified by the chairperson of the board of
393 trustees by February fifteenth to (i) the
394 Secretary of the Office of Policy and Management,
395 (ii) the joint standing committee of the General
396 Assembly having cognizance of matters relating to
397 appropriations and the budgets of state agencies,
398 and (iii) the Commissioner of Higher Education,
399 provided such sums do not exceed the Endowment
400 Fund state grant maximum commitment for the fiscal
401 year in which the grant is made. For the fiscal
402 years ending June 30, 1999, and June 30, 2000, the
403 Department of Higher Education shall deposit in
404 the Endowment Fund for the university grants in
405 total amounts which shall not exceed the Endowment
406 Fund state grant, as defined in subdivision (7) of

407 section 10a-109c of the general statutes, revision
408 of 1958, revised to January 1, 1997, and which
409 shall be equal to the amounts certified by the
410 chairperson of the board of trustees for each such
411 fiscal year of Endowment Fund eligible gifts
412 received by the university or for the benefit of
413 the university and for which written commitments
414 were made prior to July 1, 1997. For the fiscal
415 year ending June 30, 1999, the funds required to
416 be deposited in the Endowment Fund pursuant to
417 this subparagraph shall be appropriated to the
418 university for such purpose and not appropriated
419 to the fund established pursuant to section 1 of
420 [this act] PUBLIC ACT 97-293. In any such fiscal
421 year in which the eligible gifts received by the
422 university exceed the Endowment Fund state grant
423 maximum commitment for such fiscal year the amount
424 in excess of such Endowment Fund state grant
425 maximum commitment for such fiscal year, shall be
426 carried forward and be eligible for a matching
427 state grant in any succeeding fiscal year from the
428 fiscal year ending June 30, 1999, to the fiscal
429 year ending June 30, 2007, inclusive, subject to
430 the Endowment Fund state grant maximum commitment
431 for such fiscal year.

432 [(B) All provisions of section 3-20 or the
433 exercise of any right or power granted thereby
434 which are not inconsistent with the provisions of
435 this subdivision are hereby adopted and shall
436 apply to all state bonds authorized by the State
437 Bond Commission pursuant to this subdivision, and
438 temporary notes in anticipation of the money to be
439 derived from the sale of any such state bonds so
440 authorized may be issued in accordance with said
441 subsection and from time to time renewed. Such
442 state bonds shall mature at such time or times not
443 exceeding twenty years from their respective dates
444 as may be provided in or pursuant to the
445 resolution or resolutions of the State Bond
446 Commission authorizing such state bonds. Such
447 state bonds issued pursuant to this subdivision
448 shall be general obligations of the state and the
449 full faith and credit of the state of Connecticut
450 are pledged for the payment of the principal of
451 and interest on such bonds as the same becomes
452 due, and accordingly and as part of the contract
453 of the state with the holders of such state bonds,
454 appropriation of all amounts necessary for

455 punctual payment of such principal and interest is
456 hereby made, and the Treasurer shall pay such
457 principal and interest as the same become due.

458 (C) None of said state bonds shall be
459 authorized except upon a finding by the State Bond
460 Commission that there has been filed with it a
461 request for such authorization, which is signed by
462 the Secretary of the Office of Policy and
463 Management and stating such terms and conditions
464 as said commission, in its discretion, may
465 require.

466 (D) Each such request for an authorization of
467 state bonds shall state the aggregate amount of
468 the Endowment Fund eligible gifts received for
469 which Endowment Fund state grants are requested by
470 the university and shall state, other than as made
471 in subparagraph (A) of subdivision (2) of this
472 subsection, that no current appropriation has been
473 provided therefor.]

474 (3) Moneys in the Endowment Fund shall be
475 invested pursuant to subdivision (1) of subsection
476 (b) of section 10a-109i in such obligations as are
477 eligible for investment of pension funds by the
478 Treasurer provided any deposit in a bank or money
479 market or other banking or money market
480 arrangement, such as repurchase agreement, shall
481 be fully secured unless otherwise insured by a
482 federal corporation and the net earnings of the
483 Endowment Fund shall be used solely for the
484 purposes for which the fund has been established.
485 There shall be no commingling of the investments
486 of the Endowment Fund with any other fund or
487 account of the state or the university.

488 (4) The board of trustees shall adopt
489 guidelines with respect to the solicitation of
490 Endowment Fund eligible gifts from private donors.
491 Private donations shall not be construed to
492 include proceeds of federal grants but may include
493 proceeds of municipal grants.

494 Sec. 9. Subsection (a) of section 15-101l of
495 the general statutes is repealed and the following
496 is substituted in lieu thereof:

497 (a) The State Bond Commission may authorize
498 the issuance of bonds of the state in one or more
499 series and in principal amounts necessary to carry
500 out the purposes of sections 15-101k to 15-101p,
501 inclusive, but not in excess of the aggregate
502 amount of [one] TWO hundred [four] THIRTY-FOUR

503 million dollars, provided any special obligation
504 bonds issued to finance self-sustaining special
505 facilities payable solely from revenues derived
506 from such special facilities and not payable from
507 gross operating revenues pledged to secure bonds
508 issued pursuant to an indenture of trust dated as
509 of October 1, 1982, as amended from time to time,
510 shall not be included in calculating said maximum
511 aggregate amount of bonds.

512 Sec. 10. Section 22-26hh of the general
513 statutes, as amended by section 7 of public act
514 97-234 and section 14 of public act 97-1 of the
515 June 5 special session, is repealed and the
516 following is substituted in lieu thereof:

517 The State Bond Commission shall have power,
518 from time to time, to authorize the issuance of
519 bonds of the state in one or more series and in
520 principal amounts not exceeding in the aggregate
521 [eighty] EIGHTY-TWO million [two] SEVEN hundred
522 fifty thousand dollars, PROVIDED THREE MILLION
523 FIVE HUNDRED THOUSAND DOLLARS OF SAID
524 AUTHORIZATION SHALL BE EFFECTIVE JULY 1, 1998, the
525 proceeds of which shall be used by the
526 Commissioner of Agriculture for the purposes of
527 this chapter provided [not more than fifty
528 thousand dollars, provided one million dollars of
529 said authorization shall be effective July 1,
530 1998, shall be used for the purposes of section
531 22-26dd and] not more than two million dollars
532 shall be used for the purposes of section 22-26jj.
533 All provisions of section 3-20, or the exercise of
534 any right or power granted thereby which are not
535 inconsistent with the provisions of this section
536 are hereby adopted and shall apply to all bonds
537 authorized by the State Bond Commission pursuant
538 to this section, and temporary notes in
539 anticipation of the money to be derived from the
540 sale of any such bonds so authorized may be issued
541 in accordance with said section 3-20 and from time
542 to time renewed. Such bonds shall mature at such
543 time or times not exceeding twenty years from
544 their respective dates as may be provided in or
545 pursuant to the resolution or resolutions of the
546 State Bond Commission authorizing such bonds. None
547 of said bonds shall be authorized except upon a
548 finding by the State Bond Commission that there
549 has been filed with it a request for such
550 authorization, which is signed by or on behalf of

551 the Secretary of the Office of Policy and
552 Management and states such terms and conditions as
553 said commission, in its discretion, may require.
554 Said bonds issued pursuant to this section shall
555 be general obligations of the state and the full
556 faith and credit of the state of Connecticut are
557 pledged for the payment of the principal of and
558 interest on said bonds as the same become due, and
559 accordingly and as part of the contract of the
560 state with the holders of said bonds,
561 appropriation of all amounts necessary for
562 punctual payment of such principal and interest is
563 hereby made, and the Treasurer shall pay such
564 principal and interest as the same become due.

565 Sec. 11. Subsection (a) of section 22a-483 of
566 the general statutes, as amended by section 15 of
567 public act 97-1 of the June 5 special session, is
568 repealed and the following is substituted in lieu
569 thereof:

570 (a) For the purposes of sections 22a-475 to
571 22a-483, inclusive, AS AMENDED, the State Bond
572 Commission shall have the power, from time to
573 time, to authorize the issuance of bonds of the
574 state in one or more series and in principal
575 amounts, not exceeding in the aggregate six
576 hundred [thirty-five] TWENTY-ONE million three
577 hundred thirty thousand dollars. [, provided
578 fourteen million dollars of said authorization
579 shall be effective July 1, 1998.]

580 Sec. 12. Subsection (a) of section 25-33a of
581 the general statutes is repealed and the following
582 is substituted in lieu thereof:

583 (a) The State Bond Commission shall have
584 power, from time to time to authorize the issuance
585 of bonds of the state in one or more series and in
586 principal amounts not exceeding in the aggregate
587 four million one hundred [ninety] FIFTY-ONE
588 thousand five hundred [eighty-four] NINETY-NINE
589 dollars, for the purposes of providing funds for
590 (1) grants to municipally-owned water companies
591 for the planning, design, modification or
592 construction of drinking water facilities of such
593 companies made necessary by the requirements of
594 the Safe Water Act of 1974, or by an order of the
595 Department of Public Health deeming the water
596 supplied by such companies to be inadequate, which
597 facilities shall include, but need not be limited
598 to, collection facilities, treatment facilities,

599 wells, tanks, mains, pumps, transmission
600 facilities and any other machinery and equipment
601 necessary to meet the requirements of said act,
602 (2) grants in accordance with the provisions of
603 section 22a-471 to water companies, as defined in
604 section 25-32a, which have less than ten thousand
605 customers, as defined in said section 25-32a, for
606 the treatment of a contaminated water supply well
607 which is owned, maintained, operated, managed,
608 controlled or employed by the water company, and
609 (3) water supply emergency assistance grants to
610 investor-owned water companies which supply water
611 to at least twenty-five but less than one thousand
612 customers for repair, rehabilitation,
613 interconnection or replacement, in the event that
614 such company has ceased to provide water as a
615 result of equipment or facility failure and the
616 Commissioner of Economic and Community
617 Development, upon recommendation of the Department
618 of Public Health and in consultation with the
619 Department of Public Utility Control, makes a
620 determination that the company is financially
621 unable to immediately restore service and there is
622 no alternative water company reasonably able to
623 immediately supply water. The grants shall be made
624 in accordance with terms and conditions as
625 provided in regulations to be promulgated by the
626 Commissioner of Economic and Community
627 Development, subject to approval by the
628 Commissioner of Public Health, provided the amount
629 of any such grant under subdivision (1) of this
630 subsection shall not exceed one hundred thousand
631 dollars or thirty per cent of the cost of the
632 project being funded by the grant, whichever is
633 greater. For the purposes of this section,
634 planning costs shall include, but need not be
635 limited to, fees and expenses of architects,
636 engineers, attorneys, accountants and other
637 professional consultants, and costs of preparing
638 surveys, studies, site plans and plans and
639 specifications for eligible drinking water
640 facilities. Not more than four million dollars of
641 the proceeds of such bonds shall be allocated to
642 the municipally-owned water companies grant
643 program under subdivision (1) of this subsection,
644 not more than two million dollars of the proceeds
645 of such bonds shall be allocated for the treatment
646 of contaminated water supply wells which are

647 owned, maintained, operated, managed, controlled
648 or employed by a water company under subdivision
649 (2) of this subsection, and not more than seven
650 hundred thousand dollars of the proceeds of such
651 bonds shall be allocated to the investor-owned
652 emergency assistance grant program under
653 subdivision (3) of this subsection.

654 Sec. 13. Section 27-140m of the general
655 statutes is repealed and the following is
656 substituted in lieu thereof:

657 For the purposes of this part the State
658 Treasurer is authorized and directed, subject to
659 and in accordance with the provisions of section
660 3-20, to issue bonds of the state from time to
661 time to an amount not exceeding twenty-six million
662 [eight] SEVEN hundred [thirty] EIGHTY thousand
663 dollars. Such bonds shall bear such date or dates
664 and mature at such time or times not exceeding ten
665 years from their respective dates and be subject
666 to such redemption privileges with or without
667 premium as may be fixed by the State Bond
668 Commission. They shall be sold at not less than
669 par and accrued interest and the full faith and
670 credit of the state is pledged for the payment of
671 the interest thereon as the same becomes due and
672 the payment of the principal thereof at maturity.
673 The State Treasurer is authorized to invest
674 temporarily in direct obligations of the United
675 States such portion of the proceeds of such bonds
676 or of any notes issued in anticipation thereof as
677 may be deemed available for such purpose.

678 Sec. 14. Subsection (a) of section 27-140y of
679 the general statutes is repealed and the following
680 is substituted in lieu thereof:

681 (a) For the purposes of this part the State
682 Bond Commission shall have power, in accordance
683 with the provisions of this part, from time to
684 time to authorize the issuance of bonds of the
685 state in one or more series and in principal
686 amounts not exceeding in the aggregate [seven and
687 one-half] FIVE million FIVE HUNDRED TWENTY
688 THOUSAND dollars.

689 Sec. 15. Subsection (a) of section 31-387 of
690 the general statutes is repealed and the following
691 is substituted in lieu thereof:

692 (a) The State Bond Commission shall have the
693 power, in accordance with the provisions of this
694 chapter, from time to time, to authorize the

695 issuance of bonds of the state in one or more
696 series and in principal amounts not exceeding in
697 the aggregate four million two hundred
698 [eighty-six] FIFTY-THREE thousand [six] THREE
699 hundred [forty-two] FORTY-EIGHT dollars.

700 Sec. 16. Subsection (a) of section 32-235 of
701 the general statutes, as amended by section 18 of
702 public act 97-1 of the June 5 special session, is
703 repealed and the following is substituted in lieu
704 thereof:

705 (a) For the purposes described in subsection
706 (b) of this section the State Bond Commission
707 shall have the power, from time to time, to
708 authorize the issuance of bonds of the state in
709 one or more series and in principal amounts not
710 exceeding in the aggregate three hundred
711 [twenty-five] TWENTY-NINE million three hundred
712 thousand dollars, provided [five] NINE million
713 dollars of said authorization shall be effective
714 on July 1, 1998.

715 Sec. 17. This act shall take effect July 1,
716 1998.

717 FIN COMMITTEE VOTE: YEA 44 NAY 0 JFS

* * * * *

"THE FOLLOWING FISCAL IMPACT STATEMENT AND BILL ANALYSIS ARE PREPARED FOR THE BENEFIT OF MEMBERS OF THE GENERAL ASSEMBLY, SOLELY FOR PURPOSES OF INFORMATION, SUMMARIZATION AND EXPLANATION AND DO NOT REPRESENT THE INTENT OF THE GENERAL ASSEMBLY OR EITHER HOUSE THEREOF FOR ANY PURPOSE."

* * * * *

FISCAL IMPACT STATEMENT - BILL NUMBER SHB 5038

STATE IMPACT Yes, General Obligation Bonds, see below

MUNICIPAL IMPACT Yes, see explanation below

STATE AGENCY(S) Various

	New FY 1998-99 Authorizations	Reductions	Net FY 1998-99 Authorizations
GO Bonds (Tax: Supported)	: 81,504,098	: (16,186,377)	: 65,317,721
Revenue Bonds: (Bradley Airport)	: 130,000,000	: 0	: 130,000,000
TOTAL	: 211,504,098	: (16,186,377)	: 195,317,721

EXPLANATION OF ESTIMATES:

STATE IMPACT: The interest cost to bond the FY 1998-99 total authorization of \$81,504,098 for twenty years at 6.25% is \$53,487,064.

Eliminating the five percent provision for magnet school development grants (Section 2) has no fiscal impact because the total amount of aid for magnet schools remains the same.

Providing a rate setting mechanism for providing state aid for interdistrict transportation to cooperative arrangements and regional education service centers

(Sections 3 and 4) has no fiscal impact because the aid is provided within available appropriations and cannot exceed one hundred percent of the total cost of the transportation.

Making technical changes to the University of Connecticut's Endowment Fund (Section 8) has no fiscal impact.

MUNICIPAL IMPACT: The bill provides Urban Action bond authorizations of \$25,000,000 in FY 1998-99, which may be used to finance grants to municipalities.

Sections 3 and 4 are expected to reduce paperwork for cooperative arrangements and regional education service centers because billing between these two entities will be reduced.

* * * * *

OFA BILL ANALYSIS

SHB 5038

AN ACT INCREASING CERTAIN BOND AUTHORIZATIONS FOR CAPITAL IMPROVEMENTS

SUMMARY: The attached schedule lists bond authorization increases or decreases by section number. The bill authorizes the issuance of a total of \$81,504,098 in General Obligation (GO) bonds in FY 1998-99. It reduces prior bond GO bond authorizations by \$16,186,377.

The GO bond authorizations in this bill are in addition to the \$584.9 million authorized for FY 1998-99 in the 1997 legislative session in SA 97-1 of the June 5 Special Session and PA 97-1 of the June 5 Special Session.

The bill also authorizes the issuance of \$130 million in revenue bonds for Bradley International Airport.

Section 2 removes language allowing a payment of five percent of magnet school construction costs for the development of final plans and specifications. Instead, the section allows for progress payments on magnet school construction projects. This conforms these projects with construction grants provided for all

other types of projects.

Sections 3 and 4 allow for the determination of a rate for cooperative arrangements and regional education service centers with regard to interdistrict transportation aid. Currently, transportation provided under these arrangements requires the provider to bill the sending school district and sending school district subsequently bills the state. This change allows the transportation provider to directly bill the state.

Section 6 permits the use of \$18.985 million in GO bonds previously authorized for school construction, for funding school construction interest subsidy grants.

Section 8 makes technical changes to the bond authorization language for the University of Connecticut's Endowment Fund.

EFFECTIVE DATE: July 1, 1998

COMMENT: Section 6 refers to bonds previously authorized by the State Bond Commission. Please note that bonds are authorized by the General Assembly and allocated by the State Bond Commission.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute
Yea 44 Nay 0

HB 5038 AA INCREASING CERTAIN BOND AUTHORIZATIONS FOR CAPITAL IMPROVEMENTS

Bill Section	Agency/Description	Prior Authorizations	FY 99 Original Authorization	Additional Authorization	FY 99 Revised Authorization
Increased Authorizations					
Department of Economic and Community Development					
16	Economic Development and Manufacturing Assistance Act	320,300,000	5,000,000	4,000,000	9,000,000
1	Office of Policy and Management Grants-in-aid to municipalities, municipal entities or non-profit organizations for urban development projects including housing, economic development, transportation, environmental protection, public safety and social service projects and programs	220,300,000	50,000,000	25,000,000	75,000,000
Department of Agriculture					
10	Farm land preservation	79,250,000	1,000,000	2,500,000	3,500,000
Department of Education					
7	Grants-in-aid to municipalities, regional school districts and regional education service centers for local school construction, rehabilitation and improvement projects - Principal and current payments	118,650,000	134,810,000	50,000,000	184,810,000
Department of Transportation					
1	Urban Action Grants	2,000,000	0	4,098	4,098
9	Bradley Airport revenue bonds	104,000,000	0	130,000,000	130,000,000
	Subtotal: Increased General Fund GO Bond Authorizations		190,810,000	81,504,098	272,314,098
	Subtotal: Increased Bradley Airport Revenue Bonds		0	130,000,000	130,000,000
Reduced Authorizations					
Department of Environmental Protection					
1	Urban Action Grants			(4,098)	
11	Grants-in-aid under the Clean Water Fund (General Fund GO Bonds)			(14,000,000)	
12	Grants to water companies for various pollution-control purposes			(38,985)	
Department of Veterans' Affairs					
13	Bonus for Vietnam Era Veterans			(50,000)	
14	Bonus for Veterans of World War I			(1,980,000)	
Department of Labor					
15	Emergency Municipal Public Works Employment			(33,294)	
Department of Education					
5	Grants-in-aid to municipalities, regional school districts and regional education service centers for local school construction, rehabilitation and			(80,000)	
	Subtotal: Reduced General Fund GO Bond Authorizations			(16,186,377)	
	Total Change in General Fund GO Bond Authorizations			65,317,721	
	Total Change in Bradley Airport Revenue Bonds			130,000,000	
	Grand Total			195,317,721	